



The Future

Economic development in Arizona depends on aviation. The state's position as a leader in job growth and population gains is linked to continued growth in tourism, high technology industry, and expansion of exports to the nation and the world.

- While Arizona's population is forecast to increase 20% by the year 2010, passenger traffic at Arizona airports is projected to rise by more than 70%.
- Total employment in industries producing goods and services related to aviation will exceed 250,000 workers in 2010, creating aviation economic activity valued at more than \$25 billion.
- Allowing for multiplier effects, the total impact of aviation on the state will approach \$50 billion by 2010.

Tax Revenues

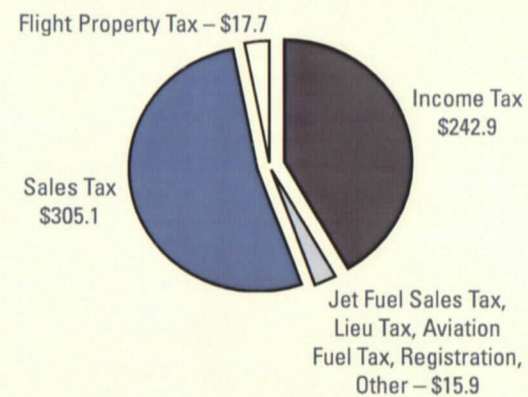
Aviation creates jobs and income for Arizona residents while stimulating economic development in the state. Moreover, aviation "pays its way" as a source of tax dollars, creating income, sales, and special aviation tax revenues.

- Total tax revenues from aviation-related activity exceeded one half billion dollars in FY 1997–1998.
- The largest source of tax revenues was sales tax, of which 40% was from spending by air travelers and 60% was from taxable spending by aviation firms and organizations.



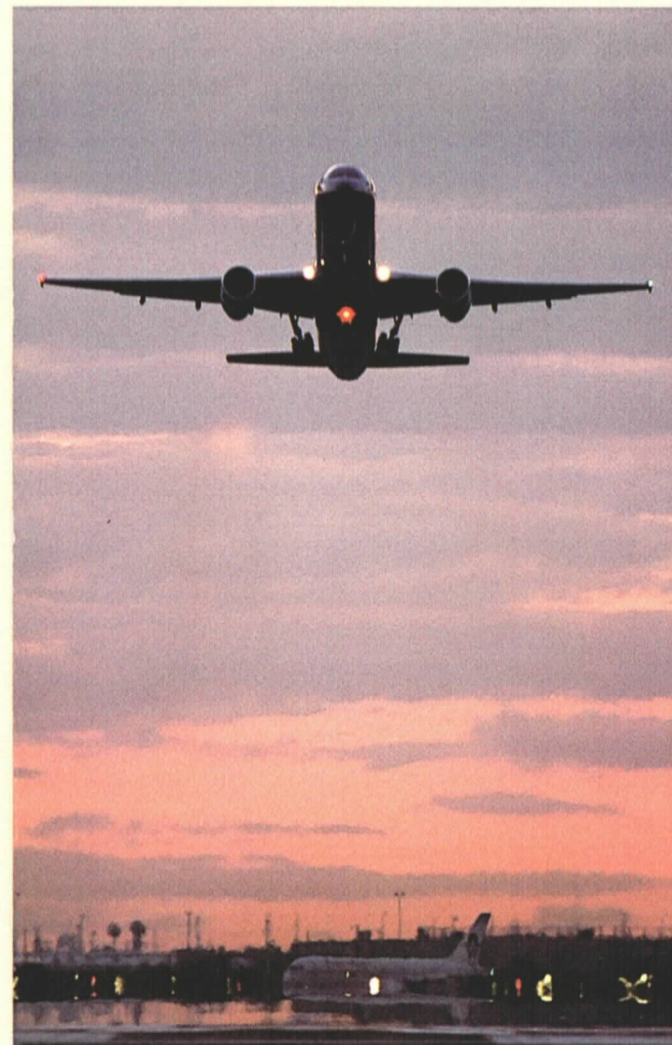
Cover and back photos courtesy of City of Phoenix

Tax Revenues from Aviation In Millions of Dollars, FY 1997–98



Prepared for Aeronautics Division, Arizona Department of Transportation by the College of Business Arizona State University, January, 1998.

ARIZONA AVIATION



The Economic Impact of Aviation in Arizona



Overview

Aviation is essential to the Arizona economy. Allowing for all multiplier effects, aviation's total economic impact was \$28.2 billion, supporting more than 420,000 jobs in the Grand Canyon State in FY 1997–1998. The economic impact of aviation has increased 66% since FY 1983–1984 (in constant 1998 dollars).

- The annual impact of firms and agencies supplying goods and services related to aviation (the primary economic impact) was \$15 billion.
- More than 167,000 workers were employed producing aviation products and services.
- By 2010, passenger enplanements at Arizona airports are expected to increase by more than 70%.

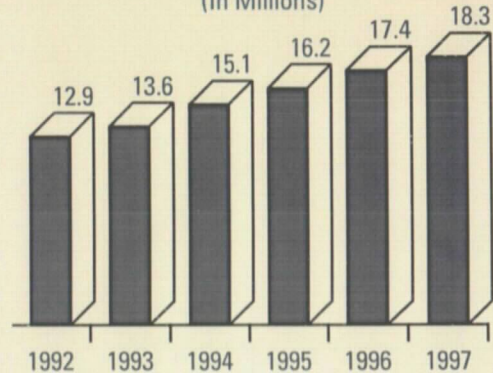
Commercial Aviation

Arizona has 10 airports that serve the state with commercial passenger and air cargo services.

- The primary impact of commercial aviation in Arizona was \$3.6 billion in FY 1997–98. More than 29,000 jobs were created at commercial service airports by airlines, air cargo firms, airport businesses, and government agencies.
- Accounting for all multiplier effects, commercial aviation and commercial service airports produced total economic activity of \$5.6 billion and supported 75,000 jobs in Arizona.

Arizona Passenger Enplanements

(In Millions)



The number of passengers boarding commercial flights in Arizona have increased by 42% since 1992.

General Aviation

More than 5,000 registered general aviation aircraft in Arizona are used by corporate and private owners for business and recreational travel. Arizona recorded 3 million general aviation operations (take-offs and landings) each year.

- The primary economic impact of general aviation in Arizona is nearly \$1 billion. More than 10,500 jobs depend on general aviation, including aircraft repairs, sales, fuel service, storage, and airport administration.
- Allowing for multiplier effects, general aviation supported total economic activity of \$1.5 billion, creating 22,000 Arizona jobs in FY 1997–1998.

Photo courtesy of the City of Glendale



Photo courtesy of the City of Glendale



Total Economic Impact

(Including Multiplier Effects)

Employment
420,847

Payroll (in millions)
9,150.9

Economic Activity (in millions)
28,173.0

Primary Economic Impact

	Employment	Payroll (in millions)	Economic Activity (in millions)
• Commercial Aviation	29,432	884.1	3,621.3
• General Aviation	10,594	298.6	998.1
• Aviation Education	1,324	37.7	67.3
• Air Travelers	77,153	1,182.8	4,549.1
• Aerospace Manufacturing	26,936	1,364.3	4,433.4
• Military Aviation	21,886	570.0	1,345.7
SUM	167,325	4,337.5	15,014.9



Photo courtesy of Scenic Airlines

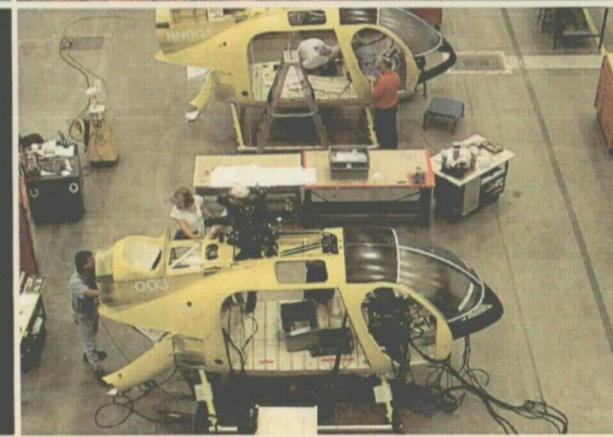


Photo courtesy of The Boeing Company

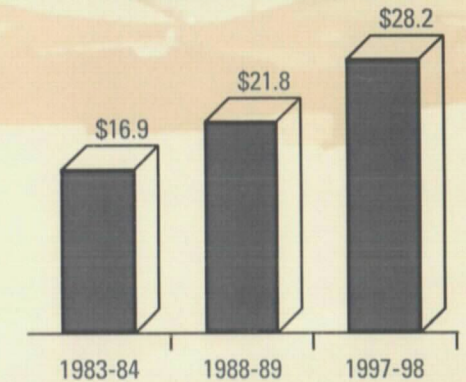
Air Travel and Tourism

Arizona's resorts, scenery, and thriving economy attracted 6.9 million visitors who came to Arizona by commercial air carrier in FY 1997–1998. An additional 1 million persons arrived on private general aviation aircraft.

- These air travelers spent \$4.5 billion in Arizona, creating 77,000 jobs in lodging, retailing, and the service sector.
- Allowing for multiplier effects, spending by air travelers created total economic activity of \$9 billion, supporting 185,000 jobs with earnings of \$3 billion.

Arizona Aviation Impact

(Billions in 1998 Dollars)



Arizona's annual aviation impact has increased 66% since 1983–84.

Aerospace Manufacturing

Aerospace manufacturing is an important component of Arizona's world-class high technology industry cluster.

- The aerospace sector in Arizona produces annual output valued at \$4.4 billion. There were more than 26,900 workers in aerospace in FY 1997–98.
- Allowing for multiplier effects, Arizona aerospace manufacturing created total economic activity of \$9.4 billion, supporting nearly 100,000 jobs with earnings of \$3 billion.